R4405-6
1/24/89

The Conference Board

Economic and Business Environment Program

MONTHLY UPDATE TO

International Economic Scoreboard

A Monthly Report from The Conference Board — October 1988

GLOBAL BUSINESS EXPANSION CONTINUES
Ho Hum!

SUMMARY

Worldwide, the cyclical expansion continues to show steady forward movement, at a pace that seems healthy without being exuberant.

Regionally, the only index that shows a signal different from the general pattern is the leading index for North America, which as of July appears to be stalling. Later data for the United States, however, shows moderate expansion persisting, so despite the sluggishness in Canada the July figure appears to be a fluke.

Nationally, Taiwan with a 17 percent growth rate for its leading index and Korea at 13 percent are showing brighter prospects for vigorous expansion than the other eight countries. Canada is the only country with a sluggish pattern in its leading index.

Interpretation: The moderate steady economic advance seen virtually everywhere has been going on so long it actually seems a bit boring, but a more reasonable conclusion is that economic prospects continue to be favorable. None of the industrial countries is building up an excessive head of steam, and none is running out of steam either.

Summary Of Growth Rates, Ten Industrial Countries

	Ten-year Growth Rate	Indexes of Economic Performance Growth Rates*			Leading Business Cycle Indexes Growth Rates*			Current Reading on the Cycle	Latest Month Covered
	1976-86	6 mos. ago	3 mos. ago	Latest month	6 mos. ago	3 mos. ago	Latest month		
	annual rates, percent								
Ten countries	3	6	5	5	4	3	3	Expansion continuing	July
9 countries excl. U.S.	3	6	6	5	5	4	6	Expansion continuing	July
North America (2)	3	5	5	4	3	2	0	Expansion continuing, leaders weak	July
Europe (4)	2	5	5	4	2	3	5	Expansion continuing	July
Pacific Region (4)	4	8	7	6	9	5	7	Expansion continuing	July
United States	3	6	5	3	3	0	2	Expansion continuing	Aug.
Canada	3	7	5	3	6	4	1	Expansion continuing, leaders weak	July
West Germany	2	4	3	5	5	5	6	Expansion continuing	Aug./July
France	2	7	7	6	4	5	7	Expansion continuing	June/Aug.
United Kingdom	2	6	5	5	1	1	3	Expansion continuing,	July
Italy	2	3	5	6	-2	1	4	Expansion continuing	Apr./July
Japan	4	8	7	5	9	4	6	Expansion continuing	July
Australia	3	6	4	10	3	6	8	Expansion continuing	July
Taiwan, R.O.C.	8	10	3	9	11	14	17	Expansion continuing, leaders strong	Aug.
Korea, R.O.K.	7	18	11	3	16	8	13	Expansion continuing, leaders strong	July

* Ratio of current month's index to average index over the preceding 12 months, expressed as a compound annual rate.

The Conference Board
845 Third Avenue, New York, N.Y. 10022 / (212) 759-0900

The indexes are prepared by the Center for International Business Cycle Research, Columbia University. Reproduction permissible with full citation to The Conference Board as source. Published monthly at 845 Third Avenue, New York, New York 10022.

Copyright © 1988 by The Conference Board, Inc.

INDEXES, WORLDWIDE AND BY REGION, 1987-88

		10 Countries		9 Countries excl. U.S.		North America (2)		Europe (4)		Pacific Region (4)	
		Indexes, 1980 = 100									
		Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.
Jan.	87	115	122	117	120	114	123	109	115	129	130
F	87	116	123	117	121	116	126	109	115	129	131
Mar.	87	116	125	117	123	116	127	110	116	130	136
[illegible]	87	117	127	118	126	116	128	110	116	129	141
[illegible]	87	117	128	118	127	116	128	110	116	129	146
June	87	118	131	118	130	117	131	111	117	131	152
July	87	118	132	119	132	118	131	111	118	132	156
Aug.	87	119	133	120	134	118	131	112	118	132	163
Sept.	87	120	133	120	134	119	132	112	118	134	162
Oct.	87	120	133	121	133	120	132	113	118	134	160
Nov.	87	121	131	122	132	120	131	113	117	135	157
Dec.	87	122	132	122	132	121	131	114	117	136	156
Jan.	88	122	132	123	132	121	131	114	118	137	156
Feb.	88	123	132	124	132	122	132	115	119	140	155
Mar.	88	124	133	125	133	122	132	115	120	140	157
Apr.	88	124	133	124	134	123	132	115	119	139	159
May	88	124	134	125	135	123	131	116	120	139	160
June	88	125	136	126	136	124	135	116	121	141	163
July	88	125	135	126	137	124	132	116	122	141	164

10 Countries		9 Countries excl. U.S.		North America (2)		Europe (4)		Pacific Region (3)	
Growth Rates, Percent									
Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.
3	6	3	8	2	3	3	4	5	17
4	8	4	9	4	7	3	4	4	17
4	10	4	11	4	8	3	4	4	22
4	11	4	13	4	9	4	5	3	28
3	12	3	14	4	8	4	4	2	31
4	15	4	17	4	11	4	5	4	38
5	15	5	18	5	10	4	6	6	39
5	15	5	19	6	9	4	4	5	43
5	13	5	16	5	8	4	4	6	35
6	10	6	12	6	7	5	3	7	27
6	6	6	8	6	4	5	1	7	17
6	5	6	6	6	3	5	1	8	12
6	4	6	5	5	3	5	2	8	9
7	4	8	4	6	3	6	3	10	5
7	3	7	4	6	3	6	4	9	4
5	3	6	4	5	2	5	3	7	5
5	2	5	4	5	0	4	3	5	4
6	5	6	5	5	5	5	5	7	6
5	3	5	6	4	0	4	5	6	7
Ten Year Annual Growth Rate, Percent									
3	3	3	3	3	3	2	2	4	4

INDEXES, TEN COUNTRIES, 1987-88

		U.S.		Canada		West Germany		France		U.K.		Italy		Japan		Australia		Taiwan, R.O.C.		Korea, R.O.K.	
		Indexes, 1980 = 100																			
		Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.
Jan.	87	114	124	118	117	108	113	113	117	106	115	107	115	127	128	119	116	158	169	172	171
Feb.	87	115	127	119	118	108	114	114	117	107	115	107	115	127	129	120	116	162	174	176	181
Mar.	87	115	128	120	119	109	114	114	118	107	116	107	116	127	135	120	117	160	174	179	180
Apr.	87	116	129	121	120	109	114	115	120	108	116	108	116	127	141	121	118	163	180	178	182
May	87	116	129	122	120	109	114	116	120	108	116	108	116	126	146	122	120	163	181	179	183
June	87	117	132	122	121	110	115	116	120	108	116	108	116	128	154	123	120	165	182	182	188
July	87	117	132	122	121	110	116	117	121	109	119	108	116	129	158	125	121	168	183	182	189
Aug.	87	118	132	123	122	110	117	117	121	110	117	107	114	130	166	124	122	170	187	181	182
Sept.	87	118	133	124	124	111	116	118	122	110	117	108	115	131	164	125	123	171	192	187	197
Oct.	87	120	132	125	122	111	116	119	122	111	117	109	115	132	162	125	123	171	194	185	188
Nov.	87	120	131	126	123	111	115	119	121	111	116	109	115	132	158	124	122	171	192	190	195
Dec.	87	121	132	126	123	112	116	120	122	112	116	109	114	134	157	127	123	170	193	195	198
Jan.	88	120	132	127	125	112	118	121	122	113	117	111	114	134	157	127	122	168	192	200	202
Feb.	88	121	133	127	124	112	120	121	123	113	117	112	115	137	156	128	123	175	197	204	201
Mar.	88	122	133	128	126	113	119	122	124	114	117	112	116	137	157	130	125	171	201	204	206
Apr.	88	122	133	128	125	112	120	122	124	114	117	113	116	136	160	128	126	171	202	200	201
May	88	122	132	128	125	113	120	122	125	114	118		116	136	160	128	128	172	206	196	202
June	88	123	136	128	126	114	120	123	128	114	119		118	138	163	132	128	174	206	200	210
July	88	123	132	128	125	113	121		127	115	119		118	138	165	134	129	176	209	197	211
Aug.	88	123	134			115			128									180	215		
		Growth Rates, Percent																			
Jan.	87	2	3	3	3	2	3	3	5	4	5	2	2	4	19	0	7	13	12	14	10
Feb.	87	4	7	4	4	3	4	4	4	5	5	1	2	3	18	3	7	15	15	15	20
Mar.	87	4	8	4	5	2	3	4	5	4	5	1	3	3	25	2	8	11	13	17	15
Apr.	87	4	9	5	6	3	4	5	7	5	5	2	4	2	31	3	9	13	18	13	15
May	87	4	8	6	6	3	3	5	7	5	6	2	2	1	35	4	10	11	17	12	13
June	87	4	11	6	6	3	4	5	6	5	5	2	3	3	44	6	8	11	15	13	16
July	87	5	10	6	6	3	6	5	6	6	8	1	2	5	45	8	8	12	14	12	16
Aug.	87	5	9	6	6	4	6	5	6	6	4	−1	−1	5	50	6	9	13	16	9	5
Sept.	87	5	8	6	8	3	5	6	7	5	3	1	0	6	39	7	10	12	20	13	20
Oct.	87	6	7	7	4	3	4	6	4	6	3	3	0	6	30	5	8	10	18	9	8
Nov.	87	6	4	7	6	4	1	6	3	6	0	3	−1	7	19	4	5	8	13	12	14
Dec.	87	6	3	7	4	4	3	7	3	6	1	3	−2	7	13	7	5	6	12	16	15
Jan.	88	5	3	7	6	3	5	7	3	6	1	5	−2	8	9	6	3	3	9	18	16
Feb.	88	6	3	6	5	4	7	7	4	6	1	6	−1	10	4	7	4	10	11	20	13
Mar.	88	6	3	6	6	4	5	7	5	6	1	6	1	9	3	8	6	3	14	18	15
Apr.	88	6	2	5	4	3	5	6	3	5	1	6	1	7	4	4	6	3	13	11	8
May	88	5	0	5	3	3	4	6	5	5	2		2	6	3	4	8	3	14	6	8
June	88	5	5	5	4	4	4	6	8	4	3		4	7	5	9	8	4	12	7	14
July	88	4	0	4	1	2	6		7	5	3		4	5	6	10	8	6	13	3	13
Aug.	88	3	2			5			7									9	17		
		Ten Year Annual Growth Rate, Percent																			
1976-86		3	3	3	3	2	2	2	2	2	2	2	2	4	4	3	3	8	8	7	7